

Generally taxpayers are required to maintain business books and records during any period for which the Illinois Department of Revenue is authorized to issue a Notice of Tax Liability (NTL). See 86 Ill. Adm. Code 130.815. (This is a GIL).

November 13, 2001

Dear Xxxxx:

This letter is in response to your letter dated October 22, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Our company, and its subsidiaries, are currently working on a new process for our theatres to report their sales information to the corporate office. Before implementing this new process, I would like your written approval that the following change is acceptable for audit purposes.

Currently, our theatres mail into the corporate office a large volume of reports printed daily from their NAME on a daily basis. This information includes all of their sales data for the given day. The sales data is pulled on a daily basis from each theatre locations Point of Sale System into our TITLE. The information in NAME is only stored for 30 days, however the information in TITLE is stored for any length of time we choose.

In the occurrence of an audit, we would be able to show you how the information flows from the NAME, the original source, into TITLE with current data. From this you would be able to gain a comfort level on how our Point of Sales feeds into the Film Booking System where the historical data would be stored for record purposes.

Can you please provide me with written approval that the above process would be acceptable for record retention and audit purposes. Can you please send a letter on your State letterhead with your approval to the following address:

NAME/ADDRESS

If you have any questions you can either e-mail me or reach me via.

As we are anxious to implement this new process, your prompt attention to this matter is greatly appreciated.

We do not have enough information to make a determination regarding your system. Hopefully the following information will give you the guidance you request. Generally taxpayers are required to maintain business books and records during any period for which the Illinois Department of Revenue is authorized to issue a Notice of Tax Liability (NTL). See 86 Ill. Adm. Code 130.815, enclosed. As a general proposition, the Department can issue NTLs for 3 to 3 1/2 years. See Section 130.815(c), which explains how statutory periods expire in six-month intervals beginning with each January 1 and July 1. Consequently, taxpayers should retain appropriate records for at least 3 1/2 years. This assumes taxpayers are registered and filing returns with the Department.

We have enclosed Sections 130.801, 130.805, 130.810, 130.815, 130.820, and 130.825 of the Department's regulations for your information. An automated data process tax accounting system (ADP) may be used to provide the records required for the verification of tax liability. Such ADP system must include a method of producing legible and readable records that will provide the necessary information for verifying such tax liability. The requirements apply to any taxpayer who maintains any such records on an ADP system and are set forth in detail in 86 Ill. Adm. Code 130.805.

If taxpayers retain records required to be retained under Section 130.801, in both machine-sensible and hard copy formats, the taxpayers shall make the records available to the Department in machine-sensible format upon request. ADP accounting systems encompass all types of data processing systems including, but not limited to, mainframe computer systems, stand-alone or networked microcomputer systems, Database Management Systems (DBMS) and systems using Electronic Data Interchange (EDI) technology.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.